Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
OCD Artesia
OCD Hobbs

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM25865

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

8. Well Name and No.
ENG TX FEDERAL COM 2

2. Name of Operator
EOG Y RESOURCES INC
Contact: TINA HUERTA
E-Mail: tina_huerta@eogresources.com

9. API Well No.
30-015-26189-00-D1

3a. Address
105 S 4TH STREET
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 575-748-4168
Fx: 575-748-4585

10. Field and Pool or Exploratory Area
DAGGER DRAW
HOAG TANK

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 26 T19S R24E SESW 660FSL 1980FWL

11. County or Parish, State
EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☒ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

EOG Y Resources, Inc. plans to plug back and recomplete this well to the Yeso as follows:

1. MIRU all safety equipment as needed. POOH with the packer. Load hole as necessary with fresh water.
2. Set a CIBP at 5982 ft and cap it with 25 sx of class C cement. Reverse circulate to clean out. This will place a plug over open Wolfcamp perforations.
3. Set a 35 sx class C cement plug across Stage tool from 5462 ft - 5622 ft.
4. Set a 35 sx class C cement plug across Abo top from 3810 ft - 4010 ft.
5. Load hole with treated water and pull a GR/CBL/CCL log to determine the TOC. Perforate 50 ft above the TOC and squeeze if necessary. Test the casing to 2500 psi.
6. Perforate Yeso 2410 ft - 2890 ft with deep penetrating charges using 1 jspf with 90 degree phasing.

GC 5-24-18
Accepted for record - NMOCD

RECEIVED

MAY 23 2018

DISTRICT II-ARTESIA O.C.D.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #397041 verified by the BLM Well Information System
For EOG Y RESOURCES INC, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 12/11/2017 (18PP0445SE)

Name *(Printed/Typed)* TINA HUERTA — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 12/06/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By **/s/ Jonathon Shepard** — Title PETROLEUM ENGINEER — Date 5/16/2018

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. — Office CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #397041 that would not fit on the form

32. Additional remarks, continued

7. TIH with 10K packer, 2.25 inch profile nipple and tubing. Set packer at 30 ft above top perf.
8. Swab tubing dry. Breakdown the formation with treated water. Limit STP to 5000 psi. Monitor pressure decline until the surface pressure is 0 psi. Swab, test and evaluate. Send samples to lab for analysis.
9. Acidize with 5000g 20 percent NEFE acid. Drop 200 1.3 SG RCN ball sealers spaced out evenly throughout the acid flush to the bottom perf with treated water. Limit STP to 5000 psi. Swab, flow test and evaluate. Consider turning well over to production department, or if the decision to frac is made. POOH with packer and tubing. TIH with 10K packer, O/O tool, 2.25 inch profile nipple and 3.5 inch 9.3Lb/ft P-110 frac string. Loading the hole as necessary with treated water.
10. See attached page for frac details.
11. Flow test and evaluate and let the well clean up, if the well is dead or the pressure is low bullhead 10Lb brine with biocide and POOH with tubing and packer. If the well head pressure is staying above 200 psi set a blanking plug in the O/O tool jay off the packer and POOH laying down the 3.5 inch frac string. TIH with production tubing and jay back onto the packer and pull the blanking plug.
12. Swab the well in and turn over to Production.

Wellbore schematics attached

Form 3160-5 continued:

10. MI RU frac valve and WSC to pump a fracturing treatment down the 3.5" tubing at 38-40 BPM while limiting the surface treating pressure to less than 8600 psi. Put 2000 psi on the 3.5 X 5.5" annulus and monitor pressure during the treatment. A pop off valve should be installed on the annulus and set at 2500 psi.

Treating Schedule

Stage Number	Stage	gal	Fluid	Prop Conc lb/gal	lb Proppant Stage	lb Proppant Cumulative	Proppant
1	Injection	1500.	Slickwater	0.00	0.	0.	----
2	Acid	2000.	20% HCL	0.00	0.	0.	----
3	Pad	2000.	Slickwater	0.00	0.	0.	----
4	ISIP	0.	Slickwater	0.00	0.	0.	----
5	Pad	14000.	Slickwater	0.00	0.	0.	----
6	SLF	33000.	Slickwater	0.50	16500.	16500.	100 Mesh
7	SLF	25000.	Slickwater	1.00	25000.	41500.	100 Mesh
8	SLF	22000.	Slickwater	1.50	33000.	74500.	100 Mesh
9	SLF	17000.	Slickwater	2.00	34000.	108500.	100 Mesh
10	SLF	6600.	Slickwater	2.50	16500.	125000.	100 Mesh
11	Flush	1500.	Slickwater	0.00	0.	0.	----

Estimated Surface Treating Pressure = 5,100 psig.
Maximum Surface Treating Pressure = 8,600 psig.

Fluid Specifications: Fresh water with 0.8 to 1.2 Gal/M FR, biocide and scale inhibitor.

EOG will provide:
7 clean frac tanks with 480 bbls of fresh water for the treatment and flush.

WELL NAME: Eng TX Federal #2 **FIELD:** Hoag Tank

LOCATION: 660' FSL & 1,980' FWL of Section 26-19S-24E Eddy Co., NM

GL: 3,655' **ZERO:** **KB:**

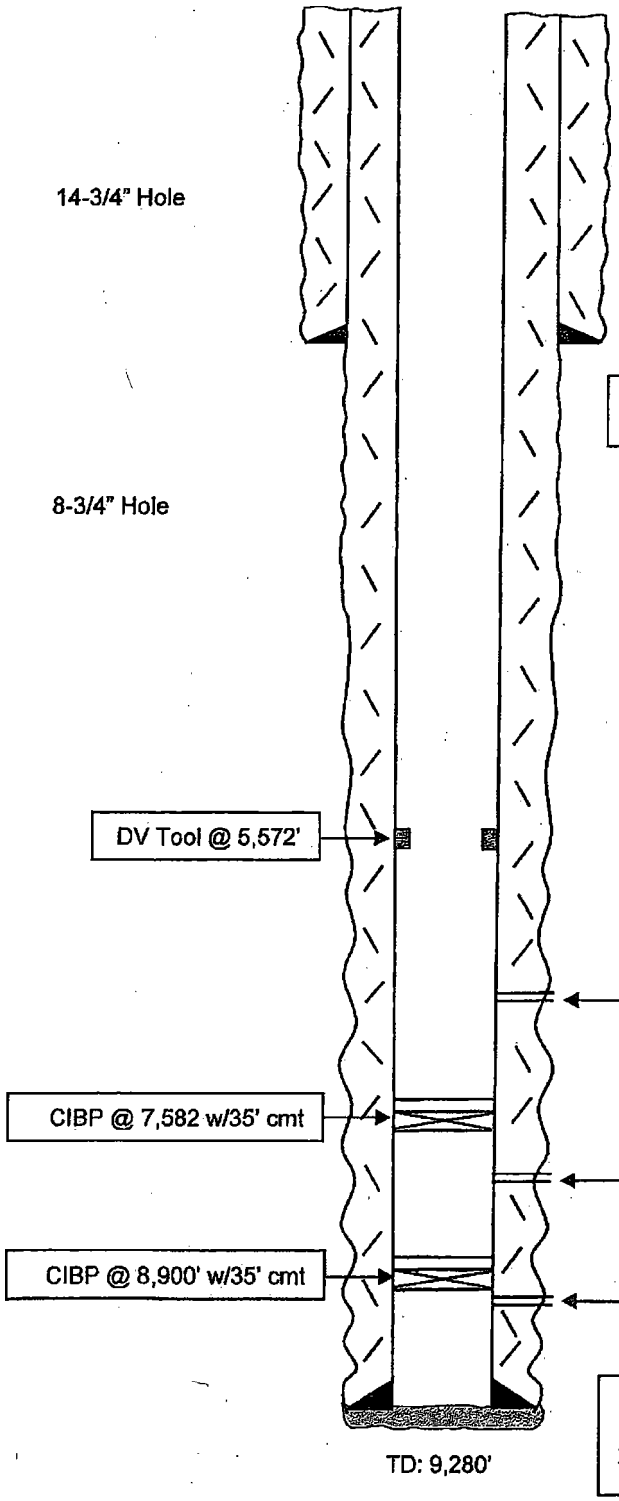
SPUD DATE: 1/9/90 **COMPLETION DATE:** 2/4/90

COMMENTS: API No.: 30-015-26189

CASING PROGRAM

9-5/8" 36# J55		**1,315'**
7" 26# N80 SB	1,821'	
7" 26# J55 SB	843'	
7" 23# N80 (MV&SB)	1,001	
7" 23# J55 (MV&SB)	3,151	
7" 23# N80 MV	2,310'	
7" 26# N80 MV	169'	**9,280'**

Before



TOPS

SA	379'
Glorieta	1,765'
Yeso	1,833'
Abo	3,960'
WC	5,218'
Canyon	7,606'
Strawn	8,116'
Atoka	8,592'
Morrow Cl	8,914'
L Morrow	9,051'
Chester	9,159'

7" @ 9,280' w/
1st Stage: 1050 sx (Circ)
2nd Stage: 925 sx (Circ)

Not to Scale
11/01/2017
DC/JMH/PES

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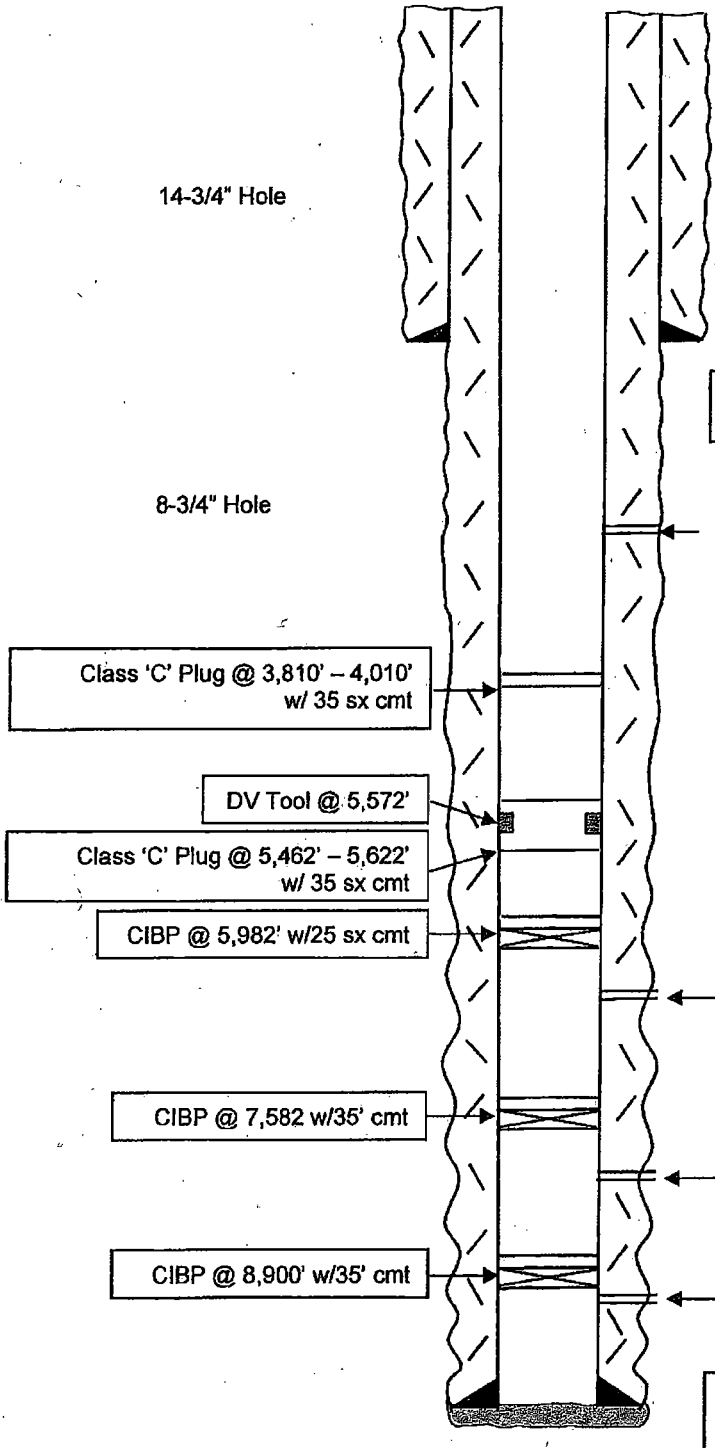

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BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plug back operations shall commence within **ninety (90)** days from this approval. **If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.**

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.
In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. **Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.** Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.** If plugging back to a new zone submit a Completion Report, form 3160-4 with the Subsequent Report.

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

8. **If well location is within the Timing Limitation Stipulation Area for Lesser Prairie-Chicken:**
From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted

Additional Engineering Conditions:

On top of CIBP at 5,982', 35 feet of cement is needed.